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COPY OF CORRESPONDENCE
ON THE
SUBJECT OF THE STEAM SERVICE
BETWEEN
LIVERPOOL AND CANADA.

LIVERPOOL, 4th December, 1854.

SIR,—I had the pleasure of writing to you on the 28th ultimo, on the subject of the Steam Navigation with Canada, expressing the anxiety of the Canadian Steam Navigation Company to be informed of the decision of the Government as to their claim for past subsidy, and their intentions as to the future.

At that time I was under the impression that the Company would be unable to find any one personally to represent their views and negotiate arrangements in this important business. Since then, however, they have induced Mr. Lamont to undertake the voyage, and he will present this letter to you.

Mr. Lamont is in full possession of all detailed information respecting the past service, but he is also fully aware of the views entertained by the Company, both as to terms and as to their views of the efficient working of the Line. He is not empowered finally to conclude a contract with the Government, but he will be ready to afford any information in his power to give, and they feel persuaded his presence and exertions will greatly facilitate and materially shorten the pending negotiations on the subject.

Mr. Lamont is so well aware of the views of the Company, that I cannot feel any doubt that what he feels authorized to concur in will receive the ultimate sanction of the Canadian Steam Navigation Company.

I remain,
Faithfully yours,

EDWARD CROPPER.

Hon. Sir Allan MacNab.

QUEBEC, 13th January, 1855.

SIR,—I have the honor of informing you that I have come out to Canada on behalf of the Canadian Steam Navigation Company, for the purpose of settling accounts with the Government for the past service, and of ascertaining whether they are disposed to admit of some modifications of the terms of the Contract for the future.

May I solicit the favor of an interview with you at the earliest moment that your other important avocations will admit, as I am anxious to return to England.

I have the honor to be,
Your most obedient servant,

ROBERT LAMONT.

To the Hon. Jean Chabot,
Commissioner of Public Works.

PUBLIC WORKS,
Quebec, 17th January, 1855.

SIR,—I am directed to acknowledge the receipt of your letter of the thirteenth instant, reporting your arrival from England, for the purpose of arranging for payments, &c., on the part of the Canadian Steam Navigation Company, and to inform you that your communication shall be laid before the Chief Commissioner of Public Works on his return to Quebec.

I have the honor to be, Sir,
Your obedient servant,

THOMAS A. BEGLY,
Secretary.

Robert Lamont, Esq.,
Swords' Hotel.

SWORD'S HOTEL,
Quebec, 23rd January, 1855.

To the Honble. Jean Chabot,
Chief Commissioner of Public Works,

SIR,—I have already had the honor of informing you, that I have come to Canada, expressly on the subject of the contract, establishing steam communication between this Country and England.

I desire to settle accounts for past services, and likewise to submit to the Government, certain modifications of the contract, for the future, which experience has shewn to be necessary for the more efficient performance of the service.

In connexion with the first object of my mission, it is fitting that I should offer some observations upon the manner in which the service has been performed hitherto, a course which is rendered necessary by the Report, on the subject, dated June, 1854, which your Honourable Board presented to His Excellency, the Governor General, to be laid before the two Houses of the Legislature.

Before adverting to the charges of non-fulfilment of contract contained in the Report, I take leave to offer a few preliminary explanations, and to mention, that, the fact has been overlooked, that, although the contract bears date August 1852, it was not until March 1853, that it was completed, and received in England, that is only two months prior to the date mentioned therein, for the commencement of a monthly service to the St. Lawrence. The reasons of this delay, were, that it was provided, that it should be ratified by the Canadian Parliament, which was not accomplished until November, and, it was also provided, that the Atlantic and St. Lawrence, and St. Lawrence and Atlantic Railway Companies, as well as the City of Portland should confirm their portions of the contract, before it would be considered complete, and this ratification, by the Railway Companies, probably could not be accomplished sooner.

Notwithstanding the short notice of only two months, instead of twelve,—notwithstanding, that the City of Portland, had not, and has not to this day, ratified its portion of the contract,—notwithstanding, that, *during the time thus lost*, a demand for Steam Vessels, and consequent rise of price, occurred in Great Britain, which had the effect of rendering it almost impossible to make new contracts with builders, for vessels to be finished within 18 to 24 months,—and notwithstanding, that, mainly in consequence of the determined and unremitting opposition of the largely subsidized companies in possession of the Atlantic trade, the Board of Trade in London most unexpectedly refused the Contractors and those associated with them, a Charter of Incorporation for the purposes of their contract:—I repeat, that, notwithstanding the delay, annoyance, altered circumstances of the business, and, at that time, unprecedented refusal of a charter, for such a purpose, by the Board of Trade, the contractors gave unmistakable evidence of their sincerity and determination to carry out the provisional service of 1853, by actually making, to the St. Lawrence, five out of the seven contemplated monthly trips, with the best vessels that it was possible to procure, the service, be it remarked, having been carried out in the face of foreknown and foreseen heavy loss, and it will be remembered that the "Lady Eglington," during that time, performed two of the shortest passages, across the Atlantic, on record, and that the full number of winter trips to Portland were made during the seasons of 1853-4.

The class of vessels employed was in accordance with the understanding with the Government, and, I may mention, larger than the steamers that carried on the mail service between Great Britain and the Cape of Good Hope, for a considerable time, at the commencement.

The extraordinary sudden demand for steam vessels, and the unfortunate loss of time just referred to, that occurred between the contractor's tender and its acceptance and completion, a period of nine months, would of themselves form a reasonable excuse, had no service been performed in 1853. And it is scarcely too much to say, that, but for the fact of the contractors being the owners of the "Cleopatra," and having soon afterwards, from fortunate accidental circumstances, found an opportunity of purchasing two other new vessels, the "Charity"

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and "Ottawa," (almost the only large suitable vessels in the country) it would have been impossible to carry out the whole of the service, even *last* season, from the fact that builders would not undertake to have new vessels ready in time.

To give some idea of the numerous and heavy preliminary expenses incidental to the establishment of such a trade, and the loss that invariably falls on the pioneers, it may be stated that the Government subsidy for 1853 will not cover the amount expended by the contractors during that year, by many thousand pounds sterling.

The unexpected and unusual action of the British Legislature, (already explained,) prevented for some time the contractors from associating their friends together to form a company for the purposes of this contract, as originally intended. Meantime the contractors individually made great exertions for the execution of the service, and had invested capital and incurred responsibilities amounting to not less than £150,000 sterling before the present Company, called "The Canadian Steam Navigation Company" was organized. This Company, composed of some of the wealthiest men in England, took over the steamers purchased by the contractors, made contracts for new ones, carried out the service of 1854, and are prepared to place the service on the most efficient footing, if suitable encouragement is given by the Government of Canada.

With reference to the charges of non-fulfilment of contract, during 1854, mentioned in the Report of your honorable Commission, it must be stated, as to the first, viz: The late arrival of the "Charity" and "Cleopatra" in the St. Lawrence, on the opening of the navigation, and the non-arrival of the "Ottawa," that these untoward events (by which I may remark the Canadian Steam Navigation Company lost a large sum of money) were occasioned by natural causes, *over which the Company had no control*, and are consequently excepted in the contract. In two of the cases, common prudence and humanity dictated the course adopted by the officers in charge, viz: to land the passengers at Portland, from which place they were conveyed, at ship's expense, to their respective destinations. That the late and non-arrival of the vessels were not events owing to any deficiency in ships or officers was sufficiently proved by their subsequent performances. The next, and perhaps principal apparent ground of complaint, relates to the size and power of the vessels employed during 1854, which were conditioned to be each of 1200 tons and 300 horse power. On the subject of measurement of vessels there has always existed discussion among practical and scientific men. It is considered, however, that the fairest, as well as the most accurate mode of measurement of steam ships, is that now in use by the Lords of the Admiralty of England, and by the Government of France. viz: to take the gross register tonnage as the measure of capacity. After survey by the Admiralty Agent, the three vessels previously alluded to, have, since the navigation of the St. Lawrence was shut, been chartered by the English Government at a certain rate per ton, per month, on the following tonnage measurement, viz:—

"Cleopatra".....	1467 Tons.
"Ottawa".....	1240 "
"Charity".....	1249 "

I may mention, however, that by the *old law*, these vessels might measure 100 a 150 tons less. The horse power of the vessels is considerably above that named in the contract. The "Charity" stated in the Report as of 40 horse power, having the least power of the three.

With regard to the employment of the "Sarah Sands" in the service it has been a matter of necessity, for, as already stated, it was impossible to effect contracts for new vessels, to be ready in time. The Company, as already mentioned, instead of waiting for new vessels, purchased the "Charity," "Ottawa" and "Cleopatra," and chartered the "Sarah Sands," the only other large vessel that could be procured in Great Britain. Now that the new vessels are about ready, of course the "Sarah Sands" will not be longer required.

It is not out of place here, to mention that the new vessels nearly completed, for the service, (the first of which will be launched about this time, and the next about a month after,) are all of much larger size and power than that specified in the contract, and calculated to attain a high rate of speed, and to ensure ample accommodation and comfort to passengers.

While it is admitted that some of the terms of the contract have not been carried out, from being found *impracticable*, and that others have not been performed to the letter, from natural causes, in the past rather exceptional season, and from want of previous experience of the navigation by steam vessels of the St. Lawrence, it is respectfully contended, and will be confirmed by those practically acquainted with such matters, that, under the difficulties incidental to all new and untried enterprises of a similar character, enhanced in this instance by the peculiarities of sea, river and lake navigation, the entire absence of wharf accommodation at Quebec, and the difficulty of obtaining barges when there was not depth of water to permit of the steamers proceeding to Montreal, I say that I respectfully contend that no similar service was ever better performed at starting.

In concluding my remarks on the past, I should not be doing my duty to my constituents, did I not claim for them the credit due for the entire satisfaction that has been given to all first and second class cabin passengers, and particularly to emigrants, for the treatment and accommodation they have always received on board the Company's ships. For the excellent passages made to the St. Lawrence after the date of your honorable Commissioners Report, and for

the discipline of the ships and efficiency of the officers and crews, in which respect the Company's ships are not surpassed by any comparable vessels afloat; and finally, in expressing my regret at the tenor of your honorable Commission's Report, permit me, with much deference, to observe, that could you realize the *legion* of practical difficulties that surround the commencement of such undertakings, which nothing but actual working can demonstrate, and with what enormously increased force these have operated during the past year, in consequence of the war, and if the facts connected with the early history of every similar undertaking were thought of when considering this subject, I am sure the tone of your Report would not have been that of minute criticism and blame, but, on the contrary, that with one hand you would have thrown forbearance and consideration over the past, and with the other held out hope and encouragement for the future.

The observations I have made, will I trust, be considered as establishing satisfactorily, that the contractors have performed the service as well, under the circumstances, as can be reasonably expected, and I have to add, that an early settlement of the subsidy will convince my friends of the good faith and disposition of the Government, and give them encouragement for the future. Regarding which I now beg to lay before you the following representation:

The contract for a line of Ocean Steamers between Liverpool and Quebec, made by the Government of Canada, was the result of a public competition, after advertisement for tenders. It was considered at the time as a preliminary step towards the establishment, at a future period, of a more comprehensive scheme of steam communication with England, and the Provincial Parliament, on the application of the contractors, passed an Act or Charter of Incorporation for a Company, with the view of furthering this important object.

Measures are being taken at this moment to avail of this Charter, which, for certain reasons, connected with the state of English Law, on the subject, has not yet been acted upon, but a number of private individuals, having confidence in the fair and liberal consideration of the Canadian Government, in the growing importance of the Colonial trade, and having in view the important bearing that the permanency of a contract for an effective steam service would have upon the interests of the Colony, have invested capital to the amount of nearly £400,000 sterling in vessels, most of them very much larger and more powerful than those contemplated in the contract, either already afloat or now ready for launching.

It is a fact in the history of similar undertakings, that no contract for a Postal Steam Service has ever been entered into by the British Government that has not been altered and modified soon after its commencement, and much consideration has always been accorded to contractors, until actual experience has made them acquainted with the particular service required.

The contractors with the Canadian Government are, therefore, only following what seems the necessary or natural law of such matters, in submitting for the consideration of the Government the desirableness and necessity of remodelling the present contract, in order to secure the full benefit to the country that it is calculated to command.

In all similar contracts a provision is made for increased subsidy, should relative circumstances change so much as in reason to require additional assistance. For instance, in the last contract with the Cunard Company, there is a clause: "That an additional allowance within certain limits is to be made to the Contractors, in the event of an increase in the rate of Insurance, of steam vessels, or in the freight or insurance of coals, as compared with the rates payable at the date of contract, if proved to the satisfaction of the Lords Commissioners of the Admiralty."

In the contract with the Canadian Government, there is, unfortunately, no such condition, but the contractors respectfully submit for the favourable consideration of the Government, the following drawbacks or disadvantages that practical experience has shown than to attach to this service.

I. The peculiarity of the St. Lawrence, in its sea, river and lake navigation, with the uncertainty of the Seasons, and the paucity of lights on the Straits, have the effect of enhancing the premium of Insurance on vessels trading to the St. Lawrence to a serious extent. On the property in shipping and coals, &c., that the Canadian Steam Navigation Company will have at risk next season,—the extra Premium thus occasioned, will amount to no less a sum than £10,000, sterling per annum, and since the date of the contract, a very large rise has taken place, not only in the first cost of Steam Ships, but in the Sailing Expenses—in wages, in the price of Coals, Oil, Tallow, Provisions, and all descriptions of Stores.

II. The Cunard Company subsidized by the British Government to the amount of £3,333 10s per voyage, or 11s 4½ per mile, and the Collin's Company, subsidized by the American Government, to the amount of £6538 10s per voyage, or 22s per mile, reduced their rates of freight and passage, to compete with the "Canadian Steam Navigation Company," and having a less hazardous voyage, and consequent lower rate of Premium of Insurance on both vessels and cargo, are too powerful opponents for the Canadian Steam Navigation Company, who only receive, under the contract, an allowance of £1333, sterling per voyage, or 4s 6d per mile. This fact is very justly and clearly recognized by the Commissioners of Public Works Report on the Ocean Steamers, 1853-4.

III. There is an entire absence of Wharf and Warehouse accommodation at Quebec, involving the exposure and damage to cargo, at ship's risk, as well as occasioning many other practical inconveniences, attended with a heavy money loss.

For these, and other less important reasons, with which the Contractors do not think it necessary to trouble the Government, it is respectfully submitted that there are Equitable claims on the Government, for a liberal consideration, and modifications of the contract, for it must be evident to the Government that the present subsidy is far too small for the manner in which the Company are prepared to carry out the service, from the opening of the navigation of 1855, which it is confidently asserted, will bear a favourable comparison with that existing between England and the United States of America.

In regard to an extension of the present service, as recommended in your Report, while I coincide in the opinions there expressed, as to the ultimate effect, that a weekly line of steamers is calculated to have, in drawing to the St. Lawrence, a large amount of traffic that is now forwarded by other routes, and also, believe, that under the operation of the Reciprocity Treaty, trade will gradually be transferred, from other quarters, to the Banks of the St. Lawrence, if to this new stimulant is added, proper outlets to European markets. In fact, that without the line of Ocean Steamers, on an effective footing—the great natural advantages of the Basin of the St. Lawrence, and Upper Lakes, the benefits of the magnificent system of Railways, now in progress—and the results of the recent Commercial Treaty, with the United States, cannot be secured.

While thus appreciating the suggestions of the Commissioners of Public Works, I take leave respectfully to recommend that the frequency of the service be gradually increased, as the growing trade of the colony requires—the Government thus meeting the requirements of the Country, as they may arise, always keeping a little in advance of actual circumstances, so as to foster and encourage progress.

I trust that the Government will be convinced by the statements now submitted to you, that, for an efficient steam service, a larger subsidy is required, and I have come out from England for the express purpose of meeting the Canadian Government, in a spirit of fairness, upon this main point, and likewise, some other comparatively unimportant modifications of the existing contract.

If the Government is prepared to admit of such modifications, I shall be happy to specify the particulars, and when they should take place.

May I crave the favour of your submitting the present Communication to the Members of Government at their and your earliest possible convenience, as the advanced period of the season, and business consideration, render an immediate arrangement of and decision on, all matters connected with the subject, of pressing necessity.

I have the honor to be,

Your most obedient servant,

ROBERT LAMONT.

SWORDS' HOTEL,

QUEBEC, 25th Jan'y., 1855

Sir,

As agreed upon at our meeting yesterday morning, I now hand you inclosed note of alterations and modifications desired in the contract for the Ocean Steamers between Liverpool and Canada.

I find I have no document with me, which affords legal proof of the fact that the present Company, "the Canadian Steam Navigation Company" was formed for the purposes of that contract, in accordance with the original intention of the Contractors, but the letter of Edward Cropper, Esq., Acting Chairman of the Company, to Sir Allan McNab, and to members of the late Government, should, I think, render further proof, on this point, unnecessary.

Referring to the inclosures, I need only state in addition to what I wrote you yesterday, that the Company has learned by experience, that the modifications asked, are necessary for the proper working of the line, and are satisfied that to insure a permanent and efficient service, the full amount of subsidy now asked, is absolutely necessary.

I have the honor to be,

Sir,

Your obedient servant,

ROBERT LAMONT.

Hon. Jean Chabot,

PUBLIC WORKS,

QUEBEC, 30th January, 1854.

SIR,

In reference to your note of the twenty-fifth instant, as well as to the several interviews you have had with the Commissioners, on the subject of the Canada Steam Navigation Company, I am instructed to acquaint you that, in the first instance, prior to any action whatever being taken by the Government in the matter, or any proposition being entertained by

them as to the future, it is absolutely necessary that they should be officially informed whether it is the intention of the present Contractors to carry out the requirements and conditions of their contract as it now stands, or otherwise. Early and explicit information on this point is the more required from the nature of the Communication of Mr. Cropper,* wherein it is stated that the parties with whom the Government had contracted being unable to carry out their contract had transferred it to a private Company, of which he is the Chairman, and that such Company had considered it necessary to take steps for their legal dissolution, which would be effected about the twenty-eight of the present month.

I have the honor to be,
Sir,
Your obedient servant,

THOMAS A. BEGLY,
Secretary.

R. Lamont, Esq., &c., &c.

SWORDS' HOTEL,
QUEBEC, 31st Jan'y., 1855.

Sir,

I have the honor to acknowledge receipt of your favor of the 31st inst., by which you inform me that you are instructed to acquaint me, that prior to any action whatever, being taken by the Government in the matter of my note of the 25th instant, and of the several interviews I have had with the Commissioners, or any proposition being entertained by them as to the future, it is absolutely necessary that the Government should be officially informed whether it is the intention of the present Contractors, to carry out the requirements and conditions of the contract, as it now stands, or otherwise.

In reply, I beg leave to say that it is the object of my visit to Canada, to obtain a settlement for past services, and if possible some modifications of our contract for the future. Nothing, in my communications with the Government, can lead them to the conclusion that we do not intend to fulfil our contract, and I conceive that I have just grounds of complaint, that the question is put to me at all. The execution of the contract is secured by a heavy penalty.

As to that portion of your letter in which reference is made to Mr. Cropper's remarks, a more careful perusal of that gentleman's letter, cannot fail to convince you that you have inadvertently misunderstood him. In speaking of the dissolution of the present partnership, he assigns as the reason and object, the obtaining of a charter in England, or of an Act of Incorporation of the Legislature of this country, for the purposes of our contract, and nowhere speaks of an absolute dissolution, which might justify the question put.

In a spirit of justice, I think myself entitled to be made acquainted with the views of the Government, as well with reference to the past, as the future, and I beg respectfully to refer to my note of the 26th instant, and to pray for an early reply.

I am, Sir,
Your most obedient servant.

ROB. LAMONT.

Thomas A. Begly, Esq.,
Secretary Public Works,
Quebec.

*DINGLE BANK,
LIVERPOOL, 28th November, 1854.

Sir,

Although personally unknown to you, I take the liberty of addressing you on behalf of the Canadian Steam Navigation Company, (of which Company I am Deputy Chairman), in order to ascertain, so far as you may be disposed to communicate them, the views and intentions of the Canadian Government with reference to that Company.

This Company has performed 16 voyages, under a contract granted by the Canadian Government in 1852 to Messrs. Lamont and McLarty, who were unable to carry it out, and early in the present year transferred it to the parties whom I represent.

Application has been made to the Government for the payment of the subsidy claimed under the contract, but no part of it has yet been received.

The exertions made by the Company in the purchase of the best vessels to be obtained (although falling short in tonnage 100 or 150 tons of the tonnage prescribed in the contract)—the high prices they were compelled to pay for those vessels—the difficulties and great expenses the Company incurred in consequence of the very severe winter and the existence of ice in the St. Lawrence later than usual, the low rates of freight and passage at which many of the voyages were performed, in compliance with the contract, have been brought under the notice of some of the members of the late Canadian Government, and the Company has been led to believe that under these circumstances the subsidy will not be withheld.

SWORDS' HOTEL,
QUEBEC, 5th February, 1855.

SIR,

Since I had the honor of an interview with you on Saturday, I have considered the subject matter of our conversation. There seemed to be a necessity, in your estimation, for my producing an authority to treat with the Government in regard to the past and future services of the Canadian Steam Navigation Company. This can only arise from the subject being new to you, as will be evident to you when I explain that in 1852 my firm entered into the contract with the Government which now subsists for a steam communication with England, and consequently that my firm is the only legal medium for the settlement and arrangement of all matters connected with it. Under these circumstances I am at a loss to know what authority is required, and from whom I could derive it. It is true, as I have already informed you, that, as originally intended, a Company composed of some of the wealthiest men in England has been formed for the purposes of this contract, and while I have no objection that any arrangements agreed upon for the future should be made subject to ratification by them, yet I do not relinquish my right of being treated and considered by the Government as their Contractor.

In order however to carry out more fully the requirements of the contract, the Company made contracts for three large vessels, two of which (each about 1800 tons) will be finished early next spring, and with other arrangements which they have in contemplation they will be in a condition to place the steam communication between this country and Canada in a situation to bear a favorable comparison with that existing between this country and the United States of America.

To accomplish this, however, a much larger subsidy than that contained in the existing contract will be required. The great increase in every expense attending Steam Navigation, and the experience of the past year, of the difficulties, delays, and expenses of the navigation in the St. Lawrence, together with the difficulties at this time of raising so large a capital, compel the Company, before they proceed further, to ascertain—

First.—Whether the Government is prepared to pay for past services, and

Secondly.—Whether an increased subsidy for the future will be granted, and to what extent.

The Canadian Steam Navigation Company as it at present exists, is a private Company without a charter, and consequently without any limit as to liability. The parties concerned, had always in view, the obtaining a charter in this country, or an act of the Canadian Government, which would have given them the advantage of this limit of liability. In order to secure either the one or the other a dissolution of the existing Company is necessary, and they have taken steps toward effecting this object.

It is therefore at this moment of pressing importance to them to be informed of the intentions of the Government as regards the support they are ready to grant to such a Company, as without that support they will be compelled to break up the Line, the common receipts from which they are now fully satisfied cannot for a long time produce any return to the owners.

The legal proceeding to effect the dissolution will occupy six weeks or two months, by which time the Company would be glad to receive any communication which you may be disposed to send them, which may guide them as to the course they will take.

I am sorry the Company is at this moment unable to find any one whom they can send to represent them, or depute to arrange this matter in Canada, and as correspondence incurs so much delay, I am desired to specify the terms upon which they would be willing to re-organize the Company and carry on a fortnightly service between this port and Quebec in the summer and between this port and Portland during the winter.

In the first place they could not be limited in the rates of freight and passage, and although they feel this is a matter of importance to them, the Government will see that a check as to excessive rates will exist in the competition with the United States Line, and the sailing vessels to Canada.

The speed, although they would hope on the average to exceed that rate, they could not engage to perform above 8½ knots per hour.

For the performance of this service they would require a subsidy of £50,000 per annum.

I regret exceedingly that we cannot by a personal communication with the Canadian Government ascertain their views upon the subject, but the position of the Company and the responsibilities already incurred require that we should come to an immediate decision as to our future course.

I beg to apologize for the imperfect manner in which I have laid this matter before you and begging an early consideration of the subject,

Believe me, faithfully yours,

EDWARD CROPPER.

Sir A. McNab.

It was only on my arrival in this country at the end of December last that I ascertained that the Department of the Government, over which you now preside, had reported unfavorably of the service performed up to the *early part* of last season. This report which emanated from Mr. Killally, the Assistant Commissioner, it may become my duty to the important interests I represent, to answer and characterise at some future time.

The Contract service has been performed for two years, during which time the Government has made use of our boats without any complaint having been communicated to us, and therefore the Contractors had no reason to suppose that the Government did not appreciate the great exertions made, and the large amount of money expended in carrying out the service under unparalleled difficulties, and that, too, during a period of unexampled financial derangement, and I cannot imagine it to be the serious intention of the Government to put an obstacle to the payment of our dearly earned subsidy, or to object to any reasonable modification of our contract for the future.

After the above explanations you must of course see that all questions of my authority to act are set at rest.

The importance of the trade, the advanced period of the season, and the magnitude of the interests involved demand that an immediate decision be come to on the part of the Government. The numerous arrangements necessary to secure to the Colony the full benefit of the service next season, on the scale contemplated by this Company, cannot otherwise be accomplished, nor will it be possible, if more time is lost, to complete plans for the establishment of a line of propellers to and from the West,—for the conveyance of emigrants,—for wharf accommodation, and a thousand other matters of detail both here and in England. For these reasons, and when I tell you that I have been in Quebec between five and six weeks already, I trust that no mere official form or light consideration will interfere with the question being brought before the Executive Council at its first meeting.

I have the honor to be,

Sir,

Your most obedient servant,

ROBERT LAMONT.

The Honorable F. Lemieux,
Chief Commissioner of Public Works, Quebec.

PUBLIC WORKS,
Quebec, 9th February, 1855.

Sir,—I am directed to acknowledge the receipt of your letter of the fifth instant, in which you ask that the question connected with the past and future management of the Canadian Steam Navigation Company may be brought before the Executive Council at its first meeting. In reply thereto, I am instructed to state that, prior to the Commissioners being in a position to lay the subject satisfactorily before the Executive, or to recommend any action in the matter, they require to be furnished with the information called for by their letter to you of the thirtieth ultimo, to which your reply of the fifth instant is by no means satisfactory or explicit.

In their letter adverted to, the Commissioners require an explicit answer as to whether *it is the intention of the present Contractors to carry out the requirements and conditions of their Contract as it now stands, or otherwise.* To this you reply, on the thirty-first, that you have just grounds to complain that such a question is put to you at all, as nothing in your communication with the Government can lead them to the conclusion that you do not intend to fulfil it. On this point I am instructed to observe, that the Commissioners are of opinion that they have every ground to justify them in putting the question, and in requiring a direct answer to it, prior to their bringing the subject before the Executive.

In your letter of the thirteenth of January last, you announce your having come out to Canada "to ascertain whether the Government are disposed to admit of some modifications of the terms of the Contract for the future."

In your letter of the twenty-third of January last, you again express your desire "to have modifications made in the Contract."

In your letter of the twenty-fifth January last, you sent a schedule "of the alteration and modifications desired in the contract. "That the Company have found that modifications are necessary," and that the "full amount of the subsidy now asked for is *absolutely necessary.*"

In your letter of the thirty-first of January last, you repeat that "one of my objects in coming out to Canada is to obtain if possible, some modification of our contract."

In your letter of the fifth instant occurs the following passage. "I cannot imagine it to be the serious intention of the Government to object to any reasonable modification of our contract for the future."

When in addition to the foregoing, the Commissioners take into consideration the nature of Mr. Cropper's letter of the twenty-eighth of November, as referred to in yours of the thirty-

time, they think they have every reason to require the explicit information for which have been called on. Mr. Cropper's letter is very business like and explicit, and appears to the Commissioners to admit of no misinterpretation. The substance of it bearing on the points under consideration, is as follows:—that in 1852 the "Canadian Government entered into a contract with Messrs. Lamont and McLarty, who were unable to carry it out, and had in 1854 transferred it to the parties whom he, (Mr. Cropper,) represents, that these parties, acting under the title of the "Canadian Steam Navigation Company," of which he is the Deputy Chairman, had performed 16 voyages,—that, although the vessels fell short in tonnage by 100 or 150 tons, of that prescribed in the contract, the Company hoped the subsidy would not be withheld, when the Government took into consideration the high prices they had to pay for the vessels, the difficulty and expense experienced in consequence of the very severe winter and the existence of ice in the St. Lawrence later than usual, the low rates of freight and passage at which many of the voyages were performed in compliance with the terms of the contract, have been brought under the notice of some of the members of the Government, that this Company has made a contract for three first class vessels, which, with other arrangements would put them in a condition to place the steam communication between England and Canada, in a situation to bear favorable comparison with that existing between England and the United States, "to accomplish which, however, a much larger subsidy than that contained in the existing contract will be required;" that the difficulties at this time of raising the necessary large capital, compel the Company before they proceed further, to ascertain—

First,—Whether the Government is prepared to pay for the past service, and,

Secondly,—Whether an increased subsidy for the future will be granted, and to what extent.

That, for reasons affecting the interests of the Company,—“a dissolution of the existing Company is necessary, and they had taken steps towards effecting this object; that it is, therefore, necessary and at this moment of pressing importance to them, to be informed of the intention of the Government as regards the support they are ready to grant to such a Company, as without that support, they will be compelled to break up the line.”

That the legal steps taken to dissolve the Company would occupy six or eight weeks, and being unable to find any one whom they can send to represent them or depute to arrange this matter in Canada, and as correspondence involves delay “the terms on which they would be willing to re-organize the Company are specified.” That these terms are as follows:

They “would not be limited in the rates of freight or passage.” (By the present contract both are limited.)

They would not agree to perform above $8\frac{1}{2}$ knots an hour. (By the present contract they are bound to 9 knots.)

That to carry on a fortnightly service between Liverpool and Quebec, during the summer, and to Portland during the winter, they would require a subsidy of £50,000 per annum.” (At the rates of the present contract, subsidy for such service would be £30,670.)†

On a review of all those circumstances, the Commissioners found themselves in this position. They are informed, and the transfer of the contract seems fully to establish it, that your firm was unable without the assistance of the present Canadian Steam Navigation Company “to carry out the contract into which you had entered with the Government of Canada; that you had transferred your contract to that Company without the Government being in any manner apprized of or parties to such transfer; that the Company to which the contract was transferred, found it necessary to effect their dissolution, and state certain terms, without a compliance with which on the part of the Government, they will not proceed further, that these terms would not only involve a great departure from the conditions of the contract entered into between your firm and the Government, but also a very serious addition to the amount of subsidy sanctioned by the Legislature: All of which, in addition to the statement in your letter of the twenty-fifth of January last, that you had with you no document to shew “that the present Company” “the Canadian Steam Navigation Company,” was formed expressly for the purposes of this contract,” and from Mr. Cropper's stating in his letter that “the Company at this moment were unable to find any one whom they could send to represent them, or depute to arrange the matter in Canada,” make it necessary that the Commissioners should, as they have already more than once required, be informed by you distinctly, as representing the party with whom they have contracted, and as you state in your letter the only “legal medium” for the settlement of the matter, whether it is your intention to carry out the requirements and conditions of the present contract as it now stands, or otherwise; and if the answer is affirmative that you will inform them fully, as to the preparation for so doing,—in which from the nature of Mr. Cropper's communication, cannot be included the vessels referred to by him or being in course of construction.

In conclusion, I am directed shortly to advert to one or two points in your late communication.

Referring to the Annual Report to the Legislature from this Department, required by law in which unfavorable mention is made of the manner in which the contract had been carried out up to the date of that Report, you assume that “it emanates from Mr. Killaly, the Assistant Commissioner.” This Report is submitted and signed by both Commissioners, conjointly, and from the character of the Honorable the late Chief Commissioner, it cannot,

with propriety, be supposed that he would put his name to any Report in which he did
concur.

You further state that the contract service has been performed for two years without a complaint having been made by the Government. In April, 1853, a memorial was sent to the Government by the Board of Trade of Montreal, complaining of the class of vessels put on the line; a copy of which memorial was transmitted to your agent Mr. Bellhouse. In October, 1853, that gentleman in consequence of the continued dissatisfaction felt as to the proceedings of the Company, was written to expressive of disappointment, and that unless some satisfactory proof was immediately offered, that the expectation of the line being put into effective operation will be realized, the Government must consider the contract forfeited. In June, 1854, your agent is again informed that the terms and conditions of the contract not having been fulfilled he was requested to state immediately for the information of the Government, when the Company would be in a position to carry out their contract in a satisfactory manner, and as required by the conditions of it, &c. The Legislature having passed an Address for certain information connected with your contract, a copy of it was transmitted to your agent, requesting him to furnish certain details to the Commissioners of Public Works. The information so furnished being vague, that gentleman was again written to, requesting him to furnish more distinct and detailed replies, which have not yet been received.

In your letter of the twenty-third of January 1855, it is stated that although the contract bears date August, 1852, it was not until March 1853, that it was completed; but in a letter of Mr. McLarty, one of your firm, the receipt of the ratification of the contract for the Canadian part of the service is stated to be in the end of October, 1852. With reference to the ratification of the Portland portion of the contract, it is stated in your letter of the twenty-third of January, 1855: that "it has not been ratified up to that day." Mr. McLarty, in his communication of 4th April, 1853, mentions the ratification of the Portland portion as having taken place in March, 1853.

The Commissioners regret the length to which this correspondence has been extended, and believe it would not have been necessary, had the information they called for been furnished by you; and without which, as you have already been informed, they are not prepared to bring the subject under the consideration of the Executive.

I have the honor to be,

Sir,

Your obedient servant,

THOMAS A. BEGLY,

Secretary.

To Robert Lamont, Esquire,
Swords, Hotel.

SWORDS' HOTEL,

Quebec, 12th February, 1855.

Sir,—I received, on Saturday afternoon, a letter dated the day previous, addressed to me by Mr. Begley of your department, in which it is intimated to me that you are not prepared to bring the subject of our Contract under the consideration of the Executive until you have been informed "distinctly as representing the party with whom they have contracted, and as you state in your letter the only legal medium for the settlement of the matter, whether it is your intention to carry out the requirements and conditions of the present Contract as it now stands, or otherwise, and if the answer is affirmative, that you will inform them, fully, as to the preparations for so doing,—in which, from the nature of Mr. Cropper's communication, cannot be included the vessels referred to by him as being in course of construction."

When, in accordance with usage and a desire to observe all the courtesy due to your important office, I made application through your department to Government for payment for past services, and suggested some modifications of our Contract for the future, I did so under the impression that the function of your department consisted in laying it before the Government, your peremptory refusal to do so shows me to have been in error, and leaves me no other course than to address the Government on these subjects directly.

In doing so, I will state my reasons for deviating from the ordinary course, and I will take the occasion of going over the last letter from your department, in which garbled extracts from my correspondence is the least of its sins. Mr. Killaly's Report, to which I have already in my correspondence adverted, feigns to doubt the existence of our Contract at all—advises that the service should be doubled, and concludes with stating that first-class steam-vessels were then building by enterprising men in this Province, which might be got for the service. I cannot explain to myself Mr. Killaly's doubt of the existence of our Contract, except by a desire to give to these enterprising men the whole Contract if we can be got rid of; the obstacles I have met in your department shew me sufficiently that the influences and interests which suggested that Report continue to prevail.

Without any protest on the part of the Government in the progress of the work—without any being put upon our defence or heard, we are condemned in the Report, and without even it being communicated to us.

In applying to Government for our dearly-earned subsidy, we surely asked for no favor, and in suggesting modifications of our Contract, we knew that their adoption would depend alone upon their being justified by public expediency. The Government owe us the money, and it requires merely that our claim should be brought before them to get it paid, I am convinced, and the modifications are either reasonable or otherwise, and may be adopted or rejected; but they are in the sense of the Report of the Commissioners' of Public Works.

The importance of steam communication to this fine country is such as to make it matter of no ordinary responsibility on those in office who refuse or neglect to give the subject the consideration it deserves.

In conclusion, I beg sincerely to assure you, that out of no disrespect to you or the department over which, I have no doubt, you will ably and honestly preside, I think myself shut up to the absolute necessity of addressing the Government direct without any more delay.

I have the honor to be, Sir,

Your most obedient servant,

ROBERT LAMONT.

To the Hon. F. Lemieux,
Chief Commissioner of Public Works, Quebec.

To His Excellency Sir Edmund Walker Head, Bart., Governor General of British North America and Captain General and Governor in Chief in and over the Provinces of Canada, Nova Scotia, New Brunswick and the Island of Prince Edward, and Vice Admiral of the same.

THE MEMORIAL OF ROBERT LAMONT, OF LIVERPOOL, MERCHANT.

HUMBLY SHEWETH:

That your Memorialist with his co-partners are the contractors for the Steam Service between this country and England, under a contract with the Canadian Government.

That the service has been performed for two years without their receiving any pay whatever from the Government.

That your Memorialist has come to this country expressly to obtain payment for the past service, and to suggest some extensions and modifications of their contract.

That your Memorialist has now been in Quebec upwards of six weeks endeavouring to bring the subject of his visit before your Excellency and the Canadian Government through the department of Public Works, until he has at last received the reply of the department that they will not bring the matter before the Government unless a question originating with that department is answered, the answer to which it is perfectly well felt must put your Memorialist in a false position and prejudice the case he is desirous of bringing under the consideration of the Government.

That your Memorialists have contracted with the Canadian Government, and conceive that they have the right to lay their case before it without obstacle from Departments, suggested as your Memorialist believes by interests adverse to him and indicated in the last Report of the Commissioner of Public Works.

That your Memorialist availing himself of his undoubted constitutional privilege of petitioning, begs leave to approach your Excellency and solicit that his case may be taken up by the Government and disposed of, and that before any final conclusion be come to for the past, the objections, if any, that the Government may have, may be forthwith communicated to him, and an opportunity afforded him of answering them. And further, that your Excellency will be pleased to permit your Memorialist to lay before your Excellency and the Government, such suggestions of modifications of the contract as the past experience make be desirable, in the opinion of your Memorialist, and such as public expediency calls for.

Therefore your Memorialist humbly prays that your Excellency will be graciously pleased to bring his case before the Government, and that a warrant be ordered to issue in favour of your Memorialists, for the amount of subsidy due to them by the Canadian Government for past services; and if there be any objections to that course, that such objections be forthwith communicated to your Memorialist to obtain his answer thereto before any final decision be come to by the Government. And lastly, that your Excellency be pleased to inform your Memorialist if he may suggest some modifications of the existing contract. With the greatest confidence in the sense of honor and justice of the Canadian Government, your Memorialist as in duty bound will ever pray.

ROBERT LAMONT.

Dated at Swords' Hotel,
Quebec, 13th February, 1855.

GOVERNMENT HOUSE,
Quebec, 16th February, 1855.

SIR,

I am directed by His Excellency, the Governor General, to acknowledge your Memorial of this day.

His Excellency has laid that Memorial before his Executive Council without the least delay, and has requested their advice thereon, with reference to the following passage in your Memorial,—“That your Memorialists has contracted with the Canadian Government, and conceive that they have a right to lay their case before it without obstacle from Departments, &c.”

His Excellency desires me to observe that he is wholly at a loss to conceive what hindrances or impediments to free access on your part, to the Canadian Government, have been offered by any one.

I have the honor to be,

Sir,

Your most obedient humble servant,

BURY,
Civil Secretary.

R. Lamont, Esq.,
&c. &c. &c.,
Quebec.

SWORDS' HOTEL,
QUEBEC, 17th February, 1855.

MY LORD,

I have the honor to acknowledge your letter of the 16th. Wherein you say you are directed by His Excellency the Governor General, to acknowledge my memorial, and that His Excellency had laid it before his Executive Council without the least delay, and had requested their advice thereon, and that, with reference to the following passage in my memorial, “That your Memorialists have contracted with the Canadian Government, and conceive that they have a right to lay their case before it without obstacle from Departments, &c.” His Excellency was wholly at a loss to conceive what hindrances or impediments to free access on my part to the Canadian Government, had been offered by any one.

I was sure from the importance of the subject, that it merely required to bring the subject of the contract for steam communication between this country and England, under the notice of His Excellency to secure to the contractors a just and prompt consideration of their case and a liberal treatment at the hands of the Canadian Government, and I feel grateful to His Excellency for taking up the matter without delay.

With respect to the sentence you quote from my memorial, it is fitting to make some remarks and explanations. I was induced to undertake a voyage to this country by the Canadian Steam Navigation Company, as being well acquainted with their views and possessing their confidence, which the fact of selecting me for this duty sufficiently proves. On my arrival here in the end of December, I found that most of the members of Government were absent from Quebec, and that I must wait their return and particularly that of the Commissioner of Public Works. Immediately after the return of this gentleman I called upon him, and explained at length the views of the Canadian Steam Navigation Company; and on the 23rd of January, I addressed to him a letter which contained in substance what I had had the honor of communicating verbally. In that letter is to be found the following paragraph. “The unexpected and unusual action of the British Legislature, (already explained,) prevented for some time the contractors from associating their friends together to form a company for the purposes of this contract, as originally intended. Meantime the contractors individually made great exertions for the execution of the service, and had invested capital and incurred responsibilities amounting to not less than £150,000 sterling before the present Company, called “The Canadian Steam Navigation Company” was organized. This Company, composed of some of the wealthiest men in England, took over the steamers purchased by the contractors, made contracts for new ones, carried out the service of 1854, and are prepared to place the service on the most efficient footing, if suitable encouragement is given by the Government of Canada.” At my next interview with him he asked me for my authority to treat with the Canadian Government on behalf of the Canadian Steam Navigation Company. I informed him that Mr. Cropper, in a letter to Sir Allan McNab, had given to me all the authority it was supposed necessary to enable me to learn what were the views of the Canadian Government on the subject of some modification of the existing contract, and that any thing to be done should be subject to the ratification of the Canadian Steam Navigation Company, or subject to any other condition the Government might think it right to impose. The objection of want of authority was not removed by these offers of mine, and I wrote to the Commissioner of Public Works, stating that as principal contractor, I was the legal medium of communicating with the Gov-

ment. Matters remained in this way for some days, when I received a letter from that department, in which I am apprized that the department are not prepared to bring the subject before the Government until I will have answered the following question "distinctly" as representing the party "with whom they have contracted, and as you state in your letter 'the only legal medium' for the settlement of the matter, whether it is your intention to carry out the requirements and conditions of the present contract as it now stands, or otherwise; and if the answer is affirmative that you will inform them fully, as to the preparation for so doing,—in which from the nature of Mr. Cropper's communication, cannot be included the vessels referred to by him as being in course of construction."

The fact of the contract being in the hands of a Company, not in mine, had been mentioned by me to all the members of Government with whom I had the honor of an interview, including the Commissioner of Public Works. It was contained in my letter to the department of the 23rd January, already referred to—it was stated in the letter written by Mr. Cropper to the Government, dated 28th November, to which frequent reference has been made by the Government, in the course of my correspondence,—it was known to Mr. Killaly the Assistant Commissioner of Public Works, who had an interview with Mr. Cropper in England, in the course of last year,—it was known to the Honorable John Ross and to the Honorable F. Hincks, the latter of whom as a member of the Canadian Government, had assured Mr. Cropper that the Canadian Government would appreciate the exertions they had made to fulfil their contract, it was under such circumstances that it was asked *what preparations I had made, without taking into account any of the vessels the Canadian Steam Navigation Company were building to carry out the contract.* When it is borne in mind that such preparations alone involve an expenditure exceeding £200,000 sterling, which the Company are making in the building of three additional vessels, the putting of such a question looked like trifling with me and with the important interests I represent, it is under these circumstances that this communication containing the determination of the department not to bring the matter before the Government until it was answered, appeared to me to put obstacles to the subject being taken up by the Government, and this will explain that portion of my memorial which you cite.

In conclusion I beg leave to assure His Excellency that after being eight weeks in Quebec endeavoring to ascertain the sentiments of the Canadian Government on the subject of the modifications of this contract, a large portion of which time I ought to have been in Western America endeavoring to secure as much of the trade of that country by the St. Lawrence as an efficient rapid Steam communication with England from Quebec may serve to divert from its usual route by the American seaboard, the necessity of my proceeding to the west without further loss of time, if the spring business of the Company was not to be materially damaged, made it necessary for me to bring the subject under the immediate consideration of the Government, and hence my memorial to His Excellency. Now that the matter has got before him I am satisfied that speedy and full justice will be done to the contractors and their views favorably entertained as far as public interest may justify or require.

I have the honor to be,

My Lord,

Your Lordships most obedient humble servant,

ROBERT LAMONT.

Lord Bury,
Civil Secretary,
&c. &c. &c.

GOVERNMENT HOUSE,
Quebec, 19th February, 1855,

SIR,

I am directed by the Governor General to acknowledge the receipt of your letter of the 17th instant, on the subject of which the decision of His Excellency in Council has, it is probable, been notified to you by this time.

I have the honor to be,

Sir,

Your most obedient humble servant,

BURY,
Civil Secretary.

Robert Lamont, Esquire,
Swords' Hotel,
Quebec.

EXECUTIVE COUNCIL OFFICE,
Quebec, 16th February, 1855.

Sir,
I am commanded by His Excellency, the Governor General, to state with reference to your memorial dated 15th instant, and praying that a warrant be ordered to be issued for the amount of subsidy alleged to be due the contractors for the steam service between England and this Country, that before His Excellency in Council can come to any conclusion on the memorial, it is necessary that a detailed statement of the number of Trips performed in such service, and of the amount claimed therefor, should be furnished.

I have the honor to be,

Sir,

Your most obedient servant.

WM. H. LEE, C. E. C.

Robert Lamont, Esq.

SWORDS' HOTEL, Quebec, 17th Feby., 1855.

Sir.—I have the honor to acknowledge receipt of your letter of yesterday's date, and now hand enclosed detailed statement of the voyages performed and of the amount claimed therefor.

I have the honor to be,

Sir,

Your most obedient servant,

ROBERT LAMONT.

Wm. H. Lee, Esquire,
Clerk Executive Council.

SECRETARY'S OFFICE,
QUEBEC, 20th February, 1855.

Sir,

I have it in command to inform you that His Excellency the Governor General in Council, having had under consideration your memorial as one of the Firm of McKean, McLarty & Co., of Liverpool, addressed to His Excellency, and praying that the subsidy for the service already performed under the contract to provide a fortnightly steam communication between Liverpool and the St. Lawrence, during the season of navigation, and a monthly one during winter, between Liverpool and Portland, may be paid, is of opinion that the terms of the contract have not up to the present time been complied with, either by the original contractors or by those to whom they have assigned the same, the tonnage of the ships has been less than that stipulated, their average speed has fallen very short of the rate specified, the regularity of the trips has not been approached, nor the covenanted number performed, the number of ships employed has never been more than four, while five were expressly provided for by the contract, and the vessels engaged in the winter season have been withdrawn altogether.

His Excellency in Council has further had under his consideration the correspondence which has from time to time taken place between the Commissioners of Public Works and those representing the Contractor, complaining of the non-performance of the Contract, and especially the recent correspondence between that department and yourself, and in consequence of the non-fulfilment of the Contract, and of the refusal of yourself to afford satisfactory information to the Public Works Department, leading to the hope that the Contract as it at present stands, will be carried out in future, His Excellency in Council has come to the conclusion that the Contract is at an end.

Taking into account, however, the fact that a considerable number of trips have been made (although not by vessels of contract size or average speed) and that it has been thereby shown that steam communication may be successfully established between the St. Lawrence and the United Kingdom, His Excellency in Council has ordered that the Contract price be paid for each trip already made, upon condition that the same be accepted by the parties in full discharge of all claims, and in abandonment of the Contract.

His Excellency in Council, in coming to this conclusion, does not desire to exclude the present holders of the contract from becoming parties to a new Contract with the Canadian Government for Ocean Steam Communication between Quebec and Liverpool, or from acting with others in entering into a new Contract, provided the terms are satisfactory, and such as it may be deemed advantageous to accept.

I have the honor to be,

Sir,

Your most obedient servant,

E. PARENT,

Assist. Prov. Secretary.

Robert Lamont, Esq.,
&c., &c., &c.,
Quebec.

COUNCIL OFFICE,
16th February, 1855.

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M. H. LEE, C. E. C.

bec, 17th Feb., 1855.
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ROBERT LAMONT.

CARY'S OFFICE,
th February, 1855.

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ENT,
sist, Prov. Secretary.

SWORDS' HOTEL,
Quebec, 24th Feb., 1855.

I have the honor to acknowledge the receipt of your letter of the 20th inst., conveying the decision of His Excellency the Governor General in Council upon the contract for Steam communication between England and this Country, which renders necessary my immediate return to England to communicate it to the Canadian Steam Navigation Company, the present holders of the contract, that an answer be given to it.

His Excellency is pleased to say that it is not his desire to exclude the present holders of the contract from becoming parties to a new contract with the Canadian Government for Ocean Steam communication between Quebec and Liverpool, or from acting with others in entering into a new contract, provided the terms are satisfactory and such as it may be deemed advantageous to accept. To enable the Canadian Steam Navigation Company to avail themselves of this permission to make new arrangements for a future service without such loss of time as can hardly fail to deprive this Country of all Steam Communication for a portion if not all of next summer; it is necessary that I should be in a situation to make known to them on my return to England what service the Canadian Government desire, and if the terms and conditions of the contract of August, 1852, will be adhered to or modified in any and what particulars.

I endeavored in my letter of the 25th January last, addressed to the Honorable Commissioners of Public Works, to convey to the Government the terms upon which a really efficient and permanent steam service could be established. I beg leave to refer to that letter, and respectfully to request that I may be furnished with the views of the Government upon these terms that I may be enabled to communicate them to the Company, a course that must greatly facilitate and materially shorten negotiations for new arrangements.

The Government are no doubt aware that there subsists in England a great demand for large steamers, and that the English Government is taking them up at highly remunerative rates of charter, the consequence of which most probably will be not only that freights will rise considerably, but the available steam tonnage to North America will not be nearly sufficient to meet the requirements of trade, and thus importers will be compelled to return to the tardy medium of sailing vessels, which, it may be feared, will inevitably cause very serious derangements in business.

The Canadian Steam Navigation Company have hitherto refused to charter the two very fine vessels which they have now nearly ready, and which were destined by them for the service to this country; but should I return to England without such information from the Government as is necessary to guide the Company in the course they shall pursue in relation to a future service, they cannot keep these vessels unemployed pending an uncertain and it may be a tardy negotiation; in that case these vessels will then be chartered to Government, and an interruption of the steam navigation to Canada for a year at least will occur. This interruption might be obviated if the Government see fit to favor me with their views, and consent to pay for any trips that may be made by the steamers of the Canadian Steam Navigation Company, pending any negotiation, at the rate that may be fixed for future service, and if no new arrangements be made, then, at the rate of the Contract of 1852.

Will you bring the subject of this letter before His Excellency at your earliest convenience, and assure him that nothing short of an intense desire on my part to see the steam communication with Canada, which was commenced by us, put upon a solid and permanent footing for the future, dictates the present letter. I cannot, however, refrain from expressing my firm conviction, and hope, that nothing will be done by the Government to the prejudice of the Canadian Steam Navigation Company, who have expended nearly half a million of pounds, currency, in preparing for this service, until time will have been afforded them of receiving and replying to the decision of the Governor General in Council upon their Contract.

I have the honor to be,

Sir,

Your most obedient servant,

E. Parent, Esq., Assistant Provincial Secretary.

ROBERT LAMONT.

ATLANTIC OCEAN STEAMERS.

Proposed new Plan of Sailings, by the "Canadian Steam Navigation Company Steamers," supposing the "Cunard Company," and "Collin's Company," to run their vessels as they did last year.

LINES OF STEAMERS.

FROM LIVERPOOL			FOR	FROM AMERICA			FOR
Canadian Cy.	Wednesday	2 May	Quebec.	Canadian Cy.	Saturday..	2 June	Quebec.
Cunard Cy...	Saturday..	5 "	Boston.	Cunard Cy...	Wednesday	6 "	Boston.
Collin's Cy...	Wednesday	9 "	New-York.	Collin's Cy...	Saturday..	9 "	New-York.
Cunard Cy...	Saturday..	12 "	Do.	Cunard Cy...	Wednesday	13 "	Do.
Canadian Cy.	Wednesday	16 "	Quebec.	Canadian Cy.	Saturday..	16 "	Quebec.
Cunard Cy...	Saturday..	19 "	Boston.	Cunard Cy...	Wednesday	20 "	Boston.
Collin's Cy...	Wednesday	23 "	New-York.	Collin's Cy...	Saturday..	23 "	New-York.
Cunard Cy...	Saturday..	26 "	Do.	Cunard Cy...	Wednesday	27 "	Do.
Canadian Cy.	Wednesday	30 "	Quebec.	Canadian Cy.	Saturday..	30 "	Quebec.
Cunard Cy...	Saturday..	2 June	Boston.	Cunard Cy...	Wednesday	4 July	Boston.
Collin's Cy...	Wednesday	6 "	New-York.	Collin's Cy...	Saturday..	7 "	New-York.
Cunard Cy...	Saturday..	9 "	Do.	Cunard Cy...	Wednesday	11 "	Do.
Canadian Cy.	Wednesday	13 "	Quebec.	Canadian Cy.	Saturday..	14 "	Quebec.
Cunard Cy...	Saturday..	16 "	Boston.	Cunard Cy...	Wednesday	18 "	Boston.
Collin's Cy...	Wednesday	20 "	New-York.	Collin's Cy...	Saturday..	21 "	New-York.
Cunard Cy...	Saturday..	23 "	Do.	Cunard Cy...	Wednesday	25 "	Do.
Canadian Cy.	Wednesday	27 "	Quebec.	Canadian Cy.	Saturday..	28 "	Quebec.
Cunard Cy...	Saturday..	30 "	Boston.	Cunard Cy...	Wednesday	1 Aug	Boston.
(And so on.)				(And so on.)			

NOTE.—By the above it will be seen that the Canadian Steam Navigation Company are prepared, for a comparatively small subsidy, to do as much work as the Collin's Line do. That by such an arrangement a Mail would leave Liverpool and America regularly every Wednesday and Saturday during summer.

Advantages to Canada—Instance. A letter leaving Quebec per Canadian Company's Steamer, on, say Saturday, 2nd June, will reach Liverpool Thursday, 14th, (perhaps sooner,) but if sent *via* Boston, (posted on same day), not till Monday 18th. And a letter posted at Liverpool for Quebec, on Wednesday, 16th May, (allowing a 13 days passage) would reach its destination two days after one sent per Cunard Company's Steamer, on previous Saturday (the 12th), and 5 days before a letter to come by the Cunard's Steamer of the next Saturday (19th).

Correspondence between D. Bellhouse, the Agent of the Contractors in Canada, and the Government, relative to the Service:—

PUBLIC WORKS,
QUEBEC, 10th June, 1854.

SIR,

The terms and conditions of the contract with the parties for whom you are agent, for the establishment of a line of steamers between Liverpool and Quebec, not having been fulfilled, I am directed to request that you will be so good as to state, immediately, for the information of the Government, when they will be in a position to carry out their contract in a satisfactory manner, and as required by the conditions of it. Also, that you will state distinctly, what boats, of the required tonnage and power, they now have at their command, what others they may have in course of construction, and when these last named will be ready for navigation.

I have the honor, &c.

THOMAS A. BEGLEY.

MONTREAL, 15th June, 1854.

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PUBLIC WORKS,
2, 10th June, 1854.

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MAS A. BEGLEY.

SIR,—I have the honor to acknowledge receipt of your communication of the 10th instant, and lose no time in furnishing the requisite information for the use of the Government. The Canadian S. N. Co. have, since Nov. last, made 6 trips to Portland, and 3 to the St. Lawrence. The vessels employed in this service were all of greater tonnage than the minimum provided for in the contract, and the fact that some of the voyages were tedious, and in a few instances interrupted, is solely attributed to the unusual accumulation of ice in the Gulf and River. The steamships *Ottawa*, *Charity*, and *Cleopatra* are quite capable of performing a fortnightly service, and I have no doubt will do so during the remainder of the season, in a satisfactory manner. Besides these, the Company can always avail themselves of the *Sarah Sands*, should it be necessary to use them at any time. The Company have contracted for the building of several vessels not to be surpassed by any afloat, the first, the *Erie* of 1700 tons, will be ready for service in October, she will be succeeded in rapid succession by the *Ontario*, of 2400 tons burthen, and the *Huron*, a twin vessel. The standing of the Company is second to none in Great Britain, either in point of wealth or respectability. That they have not succeeded in engaging larger and more powerful vessels, is to be attributed to the very great difficulty which has existed for some time, in making contracts for building, and the impossibility of chartering this class of vessels. I shall at all times, be glad on behalf of the Company, to communicate fully with the Government, as respects the progress they are making, and their efforts to aid the Postal communication with Britain, and to carry out the contract to the fullest extent that either the Government or country may desire.

I have the honor to be, &c.,

Thomas A. Begley, Esq.

DAVID BELLHOUSE.

PUBLIC WORKS,
QUEBEC, 3rd Nov., 1854.

SIR,—I enclose to you, herewith, a copy of an Address of the Legislative Assembly, asking for certain information connected with the Canadian Steam Navigation Company, and am directed to request that you will be so good as to furnish the Commissioners of Public Works with the information in question.

Your Petition on the part of the Company, has been received.

I have the honor to be,

Sir,

Your obedient servant,

THOMAS A. BEGLEY, Secy.

D. Bellhouse, Esq.,
Agent for the Canadian
Steam Navigation Company.

MONTREAL, 15th Nov., 1854.

SIR,—In answer to your letter of the 3rd instant, enclosing an Address of the Legislative Assembly, asking for certain information connected with the Canadian Steam Navigation Company, I beg leave to state to the 1st enquiry:—

Whether the line consists of fine screw steamers of first class, being not less than 1200 tons burthen, and 300 horse power, 230 feet keel, breadth 34 feet, that the Company have had four first class steamers in the service, three of which are of the size and power specified in the contract, and the whole would have been of the same class had it been possible to procure them, but in consequence of the breaking out of the war, and the consequent unprecedented demand for steamers of all classes, it could not be done, and the Company consider that under the circumstances the contract has been carried out in the most efficient manner possible, although perhaps not to the strict letter of the contract, and this was done at a period when the Home Government were offering most advantageous terms for steamers to all Steam Companies in the United Kingdom. It was found that four steamers would have been amply sufficient to perform a fortnightly service had not two of the vessels been so long detained and so seriously injured by ice in the Spring, and since that period the service has been regularly and satisfactorily performed. It may be mentioned that the Collins Mail Line has never consisted of more than four ships, and the service is now being performed with three.

To the 2nd. Whether their draft of water, after the consumption of fuel and landing of freight at Quebec, as specified in Contract, was 11 feet. It would be impossible to construct Screw Steamers of the size required to work efficiently and safely on so light a draft of water as 11 feet, as in such case it would render the Machinery useless, the screw would not have sufficient hold of the water.

3rd, Whether the price of freight demanded for fine Goods has exceeded 60s.

The freight on fine Goods during the Spring and Summer voyages did not in any case exceed 60s. per ton, and in the Fall the freight was raised to 80s., which did not by any means compensate the Company, owing to the very high rate of wages, provisions, &c., and in consequence of the unusual low rate of freight in the Homeward Cargoes.

The 4th. Whether the time outwards of any or all of said steamers has exceeded 14 days, yearly average, and time homewards 13 days.

The average passage of the Company's Steamers have not, since the disasters in the spring, much exceeded 14 days out. And they have made a better average than 13 days to Liverpool; the "Ottawa" performed the last passage from port to port in eleven days and six hours.

The 5th. Whether the sail steamers or any of them has proceeded to Montreal and do now proceed to Montreal as stipulated in said contract.

All the spring and summer steamers proceeded to Montreal, those arriving in the fall did not, owing to there not being sufficient water, this was a great loss to the Company, as it compelled them to tranship and send the cargoes in lighters in tow of steamers to Montreal.

May I be allowed to add that the Company are making extensive preparations for next year's service, two large and powerful Steamers will be ready previous to the opening of navigation and two others, still larger are in the course of building in Liverpool.

DAVID BELLHOUSE.

PUBLIC WORKS, QUEBEC,
27th November, 1854.

SIR,—In reference to your letter of the 15th instant, giving statements with regard to the Canadian Steam Navigation Company's vessels, I have to inform you that it will be necessary, in replying to the questions contained in the Address of the House of Assembly, that you should answer distinctly and in detail with regard to each vessel, stating her burthen, power, length, breadth, time of making each passage, &c., &c.

You will be so good as to furnish this information immediately; as your Memorial of the nineteenth of October cannot be entertained until the action of the Legislature in the matter generally has been made known.

I have the honor to be, Sir,
Your obedient servant,

THOMAS A. BEGLY,
Secretary.

D. Bellhouse, Esq., Montreal.

MONTREAL, 18th December, 1854.

SIR,—I have the honor to acknowledge receipt of your letter of the 27th ult., which followed me to Portland; I regret to find that the long reply which I forwarded to the Questions contained in the Address of the Honorable the Legislative Assembly are not deemed, in some particulars, sufficiently minute. The information still required has reference, you inform me, to each vessel's burthen, power, length, breadth, time of making each passage, &c. To the most important of these, I regret that I am not in a position to reply, and must refer to England for the information. By my latest advices, I learn that the Company are making vigorous efforts to place the line in the most efficient state; they contemplate, in addition to the large steamers now constructing, to employ Tow-Boats, erect Wharves, &c., for the better conducting of the service. The action of the Canadian Government in reference to the Memorial which I presented some time since, for payment of the subsidy, is waited for with much anxiety by the Company, not so much on account of the amount of money claimed, as the beneficial influence which a knowledge of its actual payment cannot fail to have on the Shareholders, who have embarked their capital in the enterprise, thinking that a mutual part of the value of the stock would arise as much from the Government connection as from the subsidy itself. Respecting the conduct of the service hitherto, I do not think it necessary to trouble you at any length; any one acquainted with the state of the Shipping trade in Britain during the last two years, knows how numerous the difficulties were, either to purchasing, chartering, or to making contracts for the building of steam vessels. I respectfully take leave to express the opinion that it should be rather matter of approval that the Company, in face of such formidable obstacles, have been able to do so much as they have done than that some irregularities should have occurred. I should be glad to be favoured with the determination of Government respecting the Memorial at an early day, so that no time may be lost in communicating with the Company in Liverpool.

I have the honor to be, &c.

DAVID BELLHOUSE.

T. A. Begley, Esq.

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BEGGLY,
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